

# EXHIBIT 8

# Babcock Power Inc.

July 8, 2003

Babcock Borsig Power GmbH  
c/o Babcock Borsig AG  
Duisburger Strasse 375  
46044 Oberhausen  
Germany

Attn: General Counsel

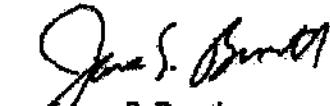
Dear Dr. Kränzlin:

Reference is made to the Stock Purchase Agreement between Babcock Borsig Power GmbH and Hudson Investment Group, Inc. ("Agreement"). Thermal Engineering International (USA) Inc.'s insurance program provided workers compensation and other insurance coverage for Ceramic Cooling Tower Corporation from October 1, 1999 to May 31, 2001 and for Balcke Durr Inc. (renamed BBF Inc.) from October 1, 1999 to May 31, 2001. At the time of the November 29, 2002 closing, both of these companies had already been divested by Babcock Borsig AG, and as part of the overall amounts due and from the related entities that were set forth on Schedule 3.06 (updated to November 25, 2002) for the Agreement, it was agreed that the amounts that would be due to Thermal Engineering International (USA) Inc. ("TEI") for this insurance program would be paid in normal course and also be subject to set off against the notes along with the other amounts referred in Section 8.06. At the time of the closing, this was done in order to conveniently handle these matters.

In addition, please note that the \$577,000 due under Footnote e has increased to \$1,018,939.00 and the \$90,000.00 under footnote d has increased to \$712,456.00. The schedules setting forth the calculation summaries of these amounts are set forth in the attached Exhibits A and B. These amounts are for the coverage provided in the above referenced time periods.

This letter is to advise you that these amounts are due. Please make payment within thirty (30) days. We will also advise you of any increase. If you have any questions regarding this letter, please contact the undersigned.

Very truly yours,



James S. Brantl  
Vice President General Counsel

JSB/lz

cc: Nixon Peabody  
Attn: Brian Crush, Esq.

Babcock Power Inc.

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**EXHIBIT A****Babcock Power Inc.  
Summary of Account Receivable Due From CCTC**

Description	BBPI	TEI	BPI	Total
KPMG Tax Preparation Cost	3,000			3,000
MCI WorldCom Monthly Charges		9,096		9,096
Monthly Life & Health Charges		736,513		736,513
Workers Compensation Monthly Costs		358,880		358,880
Price Waterhouse		1,859		1,859
Less Payments Received		(721,580)		(721,580)
April 30, 2002 AIG Paid Losses			90,538	90,538
May 31, 2002 AIG Paid Losses			4,972	4,972
Zurich Insurance Paid Losses			59,301	59,301
Zurich Insurance Paid Losses			35,706	35,706
<b>Balance at 11/26/02 Per Schedule 3.08 in SPA</b>	<b>3,000</b>	<b>382,768</b>	<b>190,517</b>	<b>576,285</b>

**Workers Compensation Claims for Period Prior to 10/01/01****AIG Policy Period: May 31, 2001 to October 1, 2001**

**A** Paid AIG Losses June 2002 through November 2002 as of November 29, 2002 **17,244**

**B** Total Reserves for Remaining 2 Open Claims as of November 29, 2002 **17,440**

**C** Increase Reserve Adjustment for 1 Claim as of November 29, 2002 **28,769**

**Zurich Policy Period: April 1, 2000 to May 31, 2001**

**D** Zurich Paid Loss Deductibles as of November 29, 2002 **7,171**

**E** Zurich 1 Open Claim Reserve, as of November 29, 2002 **36,113**

**F** Zurich Retro Audit Adjustment for policy period April 2001 to May 2001, as of November 29, 2002 **12,773**

**G** Zurich Retro Audit Adjustment for policy period April 2000 to April 2001, as of November 29, 2002 **51,141**

**H** Zurich Retro Adjustment Paid Claims as of November 29, 2002 **264,786**

**Total Due BPI @ November 29, 2002** **1,011,722**

Interest from November 29, 2002 to June 30, 2003 @ Libor 1 Year (1.2%) **7,217**

**Total Due BPI @ June 30, 2003** **1,018,939**

**EXHIBIT B****Babcock Power Inc.  
Summary of Account Receivable Due From BDI**

Description	Total
Zurich Insurance	73,494
Zurich Insurance	6,642
Surety Premiums	<u>10,314</u>
<b>Balance at 11/25/02 per Schedule 3.08 in SPA</b>	<b>90,350</b>

**Workers Compensation Claims for Period Prior to 10/01/01**

AIG Policy Period: May 31, 2001 to October 1, 2001	
AIG Paid Losses June 2002 to November 2002 as of November 29, 2002	41,662
B Total Reserves for remaining 2 open AIG Claims as of November 29, 2002	68,219
C Increase In Open Claims Reserve Adjustment	7,195
D Zurich Policy Period: April 1, 2000 to May 31, 2001	
Zurich Paid Loss Deductibles as of November 29, 2002	349
E Zurich Paid Loss Deductibles as of September 30, 2002	23,067
F Zurich Retro Audit Adjustment for policy period April 2001 to May 2001, as of November 29, 2002	46,341
G Zurich Retro Audit Adjustment for policy period April 2000 to April 2001, as of November 29, 2002	228,026
H Zurich Retro Adjustment Paid Claims as of November 29, 2002	189,817
I Reserves for 2 Open Zurich Claims, as of November 29, 2002	12,383
<b>Total Due BPI @ November 29, 2002</b>	<b><u>707,410</u></b>
Interest from November 29, 2002 to June 30, 2003 @ Libor 1 Year (1.2%)	5,046
<b>Total Due BPI @ June 30, 2003</b>	<b><u>712,456</u></b>